

PERS EMPLOYER ADVISORY GROUP MEETING

NOTES

DATE: 1/17/2020

TIME: 10:00AM-12:00PM

PERS HEADQUARTERS

TYPE OF MEETING	PERS EMPLOYER ADVISORY GROUP MEETING
FACILITATOR	Sam Paris
NOTE TAKER	Tamie Johnson
CALL IN NUMBER	(877) 411-9748; participant code: 510922
ATTENDEES	<p>Present: Jeff White, Marion County; Nancy Brewer, City of Corvallis; Rich McDonald, Chemeketa Community College;</p> <p>PERS: Alison Burman; Brandon Armatas; Dean Carson; Eleanor Probasco; Elizabeth Rossman; Kevin Olineck; Laurel Galego; Marjorie Taylor; MaryMichelle Sosne; Sam Paris; Tamie Johnson; Travis Goldberg; Yvette Elledge-Rhodes</p> <p>Guests: Carol Samuels, Piper Jaffrey; Rhonda Miller, Jennifer Olson, GRS; Debbie Diener, Dayton School District</p> <p>Phone: Bonny Ray, Oregon State University; Lori Sattenspiel, Oregon School Boards Association; Scott Winkels, League of Oregon Cities; Connie, City of Gresham; Todd Dunkelberg, Deschutes Public Library; Katie Kicza, City of Portland; Rob Bovett, Association of Oregon Counties; Debra Grabler; Jannel Kropf, Department of Administrative Services</p>

TIME: 10:00 - 10:02	WELCOME	SAM PARIS
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PURPOSE/GOAL	<p>Introductions</p> <p>Sam welcomed everyone to the Employer Advisory Group meeting. Todd Dunkelberg, Deschutes Public Library Director, was introduced as the new Special Districts Association EAG member. Jess Jacobs, Linn-Benton Community College Accounting & Budget Director, is the new Oregon Community College Association EAG member.</p>
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TIME: 10:02 - 10:05	SB 1049 PROGRAM	YVETTE ELLEDGE-RHODES
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PURPOSE/GOAL	<p>Provide the group with an update on the SB 1049 Program</p> <p>Overview of where we are with SB 1049 Project. EAG reviewed the newly published roadmap. Project owners will discuss the individual projects and tentative timeline and deliverables.</p>
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TIME: 10:05 - 10:14	SB 1049 EMPLOYER PROGRAMS	YVETTE ELLEDGE-RHODES
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PURPOSE/GOAL	<p>Provide an update on the Employer Programs project and gather feedback</p> <p>MaryMichelle Sosne- December was a major payment month, PERS matched \$41,557,879.58 in EIF funds to \$178,925,537.54 in new and existing lump sum payments. End of June, July & August is the next major payment period. A couple employers rescinded their applications and reduced their lump sum payment; money was first applied to the last EIF employer approved and the remainder will accumulate to match the first employer on the waitlist. As a reminder, the waitlist is posted on the EIF website.</p> <p>UALRP- PERS would like to gather a focus group to ask more direct questions. Email the EAG mailbox if still interested. We would be appreciative if the EAG members could send it out to all of their contacts, peers and professional organizations. We will send to EIF list, and any other employers we can think of.</p>
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The EAG reviewed the UALRP PowerPoint.

The Employer Focus group handout offers more details for the UAL Resolution Program.

Right now, all Oregon Scoreboard proceeds belong to EIF. The Oregon Lottery anticipates making no more than two transfers a year to DAS. DAS will transfer to PERS up to four times a year. Additionally, we have revenue expected from repatriated income, the initial estimate was \$25 million, estimated to come July 1, 2021. We have yet to determine the administrative guidelines for the next EIF application cycle, though we are evaluating the role of waitlisted employers.

TIME: 10:15 - 10:29 **SB 1049 SALARY LIMIT** **YVETTE ELLEDGE-RHODES**

PURPOSE/GOAL	Provide an update on the Salary Limit project and gather feedback
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Brandon Armatas/Eleanor Probasco- Brandon is the manager of the Member Account Adjustment Team, interim Data Services Manager. SB 1049 Salary Limit has created a new \$195,000 salary limit. Effective 1/1/2020, it is broken into four work packages. We have implemented manual activities as a part of Work Package One because system functionality was not set up to handle salary limits. Work Package Two focuses on addressing Tier Two and OPSRP limits within the system for which we are currently wrapping up user acceptance testing. Work Package Three is looking at May 2020 release date and will address Tier One members. Work Package Four will look at partial year rules, looking at a September or October release date. We will also be updating the Online Member Services estimate pages as a part of Work Package Four. The membership base affected by Salary Limit is approximately 600-700 members, so we're confident we can get things in place. Right now we have a report that tracks impacted individuals. We will manually monitor it and work with the employer when their employee goes over that threshold, and work together to modify the record. We are still working with our policy group to work out the details of what the proration's mean, elaborations to start soon. The purpose of the \$195,000 salary limit reduces those rates down the line, contributions are reflected of their actual salary. The salary limit has potential of reducing employer contributions of .0003%.

TIME: 10:30 - 10:41 **SB 1049 WORK AFTER RETIREMENT** **YVETTE ELLEDGE-RHODES**

PURPOSE/GOAL	Provide an update on the Work After Retirement project and gather feedback
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Laurel Galego- Work Package One suspended 07 wage codes for retirees. Though the package was already deployed, suspended accounts will be cleaned up. Work Package Two will have two new wage codes, which will be needed to actually invoice employers on retirees. From January through October, PERS Employer Service Center will help clean up suspended records. Invoices will likely not begin (going back to January 2020) until after late September or October, when the new package is released. In 2025, when work after retirement restrictions return, we will keep those old codes and be able to correct any reporting as needed.

An EAG member requested communication about why employers would have outstanding balances at end of fiscal year.

An EAG member asked if EAG can send some questions to send to the EAG members to gather feedback and how they are handling Work After Retirement. It was requested the questions be sent in to the EAG mailbox then EAG will send out to the EAG members.

In December, a GovDelivery was sent out with information once we received clarification on disability (SB 1049 does not impact disability retirements). Currently, retiree wages for retirees with disabilities post. The rate the employer pays is the net rate for the tier they are in when they retire. PERS sent a clarification email on January 10, 2020, which is also linked on the Employer SB 1049 webpage: <https://www.oregon.gov/pers/EMP/Pages/SB1049.aspx#WAR>.

TIME: 10:42- 11:25

SB 1049 MEMBER REDIRECT

YVETTE ELLEDGE-RHODES

PURPOSE/GOAL	Provide an update on the Member Redirect project and gather feedback
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Sam Paris- Interim Chief Operations Officer- Member Redirect is effective July 2020, and sets up a new account, Employee Pension Stability Account. This redirects 2.5% of salary for Tier One/Tier Two, and 0.75% for OPSRP. Member needs to gross \$2,500 per month, or more, for it to be redirected. Because of the tight constraints and implementation deadlines, we are looking at deploying the minimum viable product.

The EAG reviewed the roadmap handout. Voluntary contributions will be available, likely by September 30, so members would be allowed to go back to July 1 to make a "full" 6% IAP contribution (law states members electing after-tax voluntary contributions can only make an after-tax contribution of the exact amount redirected). PERS is looking to put this in Online Member Services (OMS) and possibly a form, for ADA compliance. We would send notification to employer, letting them know how much employers will need to remit for that person. We are working on programming that will let us track all employers and notify us if the member reaches that threshold. Concurrency is our biggest challenge to assess; if they did the redirect, we have a concept to help us manage, but we are still working out details of how the employers will handle this. We know we have to be retroactive, and going forward it will be a workflow. One employer stated, from the employer side, that it would be better to take out the contribution, and if they didn't hit threshold, to refund the contribution then. This way we do not have to change the employer file format. It is mandatory by July 1, this option has positives, leverages employer workflow items where the employers can get them, this is a concept we would like to see how we can manage and make it easy on employer's side as well. Elaborations will get started.

We appreciated the survey responses to hear employer feedback.

There will be an invoice line that will show up on your statement, you won't have to submit through EDX. Question was asked what an employer would do about rounding. Start with the pay that is subject to PERS, will affect concurrent, hourly employees. Assumption is sit on that money, don't push it, PERS will pull it for debit employers. It will fall in with PERS normal invoice cycle. If the member is electing, we have retroactive July 1- October. Once we get into a routine, we may have to make adjustments to make it administrable for PERS and employers. PERS interest and earnings is not credited on a daily basis, it is credited on a yearly basis. 2020 will be credited in March 2021. Employee will sign up through PERS in OMS, not the employer. We are working out the details, will probably come in a batch. We are still in elaboration on this. Payroll processing has different time periods. If the notification goes to the employers, their payroll can contact the employee to have the conversation of what paycheck it will be effective on and close the communication loop.

Going forward, we want to make sure key people participate in requirements gathering. Rhonda Miller, Jeff White, and Nancy Brewer volunteered to help.

The EPSA may be invested differently than the IAP. If the employee sometimes is and sometimes isn't over \$2,500, question about rates. EPSA invested in market rates, still going to be credited once a year. If voluntary contributions are made, those would be in the IAP TDF, and annual earnings credited is once a year. The voluntary is an employer impact, the redirect is on PERS. A separate item will be helpful to employers. PERS recognizes we have to build a lot of these changes with the option to undo them eventually, if needed.

Dean- We did a comprehensive article in December's member Perspectives. We've not heard too much from the members. With our communications plan, we will try to hit hard this spring. We need to make sure they understand. In April, we will talk about IAP and making sure members recognize they have two parts to their retirement. Understand voluntary contributions and recognize that come September 1, they will have a choice of redirect. We want to help people understand the Senate Bill is impacting IAP, not their pension.

TIME: 11:25 - 11: 29

SB 1049 MEMBER CHOICE

YVETTE ELLEDGE-RHODES

PURPOSE/GOAL

Provide an update on the Member Choice project and gather feedback

Eleanor Probasco-Member Choice just getting started and is in early elaboration stage. Hope to make experience to members as easy as possible. If they want to make a choice they can log on to OMS and make that election there. Open September this year, effective 1/1/2021. They will not see on the next annual statement, so we want to have visibility that we got their choice. Getting election out there to the members and making sure they get their confirmation.

TIME: 11:30 - 11:35

COMMUNICATIONS

DEAN CARSON

PURPOSE/GOAL

Provide the group with information and opportunity for additional questions

The February employer newsletter will include an article reminding members that addresses must be updated by end of February 2020 in order for them to receive their 2019 Member Annual Statement, set to mail in May 2020.

GovDelivery continues to be PERS' main channel for members to get the communications they want. Member newsletters are still sent to primary employer contacts and any HR contacts we have, which include a link for forwarding, which is easy for employers to forward to their employees.

New PERS webmaster who started Monday will help clean up webpages, aiming at making them easier to understand and navigate. We will be doing a full webpage redesign sometime in the future, including making the employer website more robust. We are hiring an employer communications specialist to work internally and externally to help connect the pieces of everything employers need to know and be engaged with at PERS. We have a member communications specialist starting soon to help with member communications. An EAG member recognized the significant need for employer communication.

TIME: 11:35 - 11:40

ADVISORY ACTUARIAL VALUATION 2018

MARYMICHELLE SOSNE

PURPOSE/GOAL

Provide the group with information and opportunity for additional questions

MaryMichelle- The advisory valuation is inclusive of SB 1049 changes; those changes are specifically listed in the back of the valuation in the "Brief Summary of Changes in Plan Provisions" section. Per employer request. Milliman will expand the "Side Account Detail" section for each employer. Anticipate conversations with Milliman in February for changes. If you have questions or suggestions, please send those to: actuarial.services@pers.state.or.us.

Kevin- By next Friday we will post the board packet. November YTD 12.19%, December improved, but nothing final yet. It was a positive year. Early estimation the UAL will go down somewhere around \$3 billion.

TIME: 11:40 - 11: 42

ADDITIONAL ITEMS

SAM PARIS

OPSRP cleanup has been set aside. PERS is continuing to look at different ways to do it. We are still developing the tool and also looking at other approaches that might be faster to send the data and create credits. It is still on the list.

Mary Michelle- Had an employer tell PERS that three different auditors have turned them down due to SB 1049 being too complicated, asked EAG if others had any auditor issues like this. Members have not had this issue.

Next Meeting Facilitator: Sam Paris

Next Meeting Date & Time: April 17, 2020 10:00 AM - 12:00 PM